

MACRO: Policy responses to Covid-19

Below is our weekly summary table on the health and economic policies that selected governments around the world are implementing to counter the fallout from Covid-19. The updated table includes information about each country's vaccination strategy. Please do not hesitate to contact us if you want to discuss any of the countries mentioned in more detail.

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Overview of health and economic policy responses to Covid-19

	Measures to contain outbreaks	Vaccination strategy	Economic response	Public health system capacity	Political consensus	Signposts
European Union	Digital vaccination passports are operational, but national entry regimes for vaccinated travelers continue to differ.	More than 500mn doses have been distributed to member states, enough for 70% of adult population to be vaccinated by Sep.	EUR 500bn, mostly promises of loans from ESM rescue fund; guarantees and support for short-term work schemes; ECB bond buying.	Medium – Capacities vary across member states, which remain firmly in charge; criticism of joint vaccine procurement.	Medium – Different positions persist, but overall approach to crisis response is more proactive than after the 2008 financial crisis.	Further national recovery plans have passed the Council of the EU, but Poland and Hungary's plans will not come back for debate before the autumn.
China	Authorities remain committed to a strict zero-tolerance policy for new cases; small outbreak at the Nanjing airport sparked harsh lockdown measures and mass testing.	1.54bn vaccines administered by 15 Jul (includes second doses). Goal to fully vaccinate 80% by end-2021. Chinese-made mRNA vaccine is entering phase 3 trials.	Monetary and fiscal policy has tightened since the height of pandemic stimulus, but a program offering targeted credit support to small businesses has been extended through end-2021.	High – Protocols in place to reimpose lockdown quickly and conduct mass testing.	High – Critics of early failures in Wuhan have been largely silenced, and the public views China's response favorably compared to US and Europe.	Government expected to keep most travel restrictions in place through at least early 2022, and possibly longer, to prevent outbreaks around the Beijing Olympics and the 20th Party Congress.
Japan	A quasi-state of emergency in Tokyo and three nearby prefectures was extended from 12 Jul to 22 Aug.	Only about 23% of the population has been fully inoculated – the lowest rate in the G7. Among people age 65 or above, 62% have received two doses.	Tokyo will release a preliminary estimate for Q2 GDP on 16 Aug. The economy is expected to grow an annualized 4.2%, down from a 4.6% expansion projected last month.	Medium – Fears are growing over a Covid-19 outbreak during the Summer Olympics as cases soared by 20% in the past week. Infections are also climbing in Tokyo, with the 7-day average daily test positivity rate soaring by 42%.	Medium – Struggling with rising coronavirus cases and a deeply unpopular Olympics, Prime Minister Suga is at risk of becoming the next in a long line of short-term leaders.	Japan will launch a system to allocate extra doses to the most vaccine-starved municipalities as it seeks to rectify the ongoing shortage of Pfizer shots, which has thwarted some local governments' rollout efforts.
Germany	Debate about mandatory vaccinations or greater privileges exclusively for vaccinated people.	Pace of vaccinations continues to create debate as race against Delta variant continues.	EUR 350bn+ in fiscal measures, EUR 800bn+ guarantees; tax delays, short-time work, payments to businesses.	Medium – Slow speed of vaccine rollout has raised questions.	Medium – Grand coalition government, but some political competition in the decentralized political system.	Federal government will support areas affected by floods with major financial support package.
Canada	Country opens up border to American tourists with double doses as of early August.	Certain provinces have begun launching vaccination reward programs, such as lotteries, as vaccine rates slow down.	Federal Finance Minister Chrystia Freeland is prepared to extend business and personal assistance programs beyond 25 Sep if necessary and to maintain sector-specific assistance programs where the recovery continues to lag.	High – Canada's daily case counts continue their downward trend following the country's massive vaccination campaign.	Medium – With elections looming, a potential star candidate for the Liberal party, and possible Finance Minister, Mark Carney, has decided not to run.	Canada to put in place randomized screening for fully vaccinated Canadians entering the country, and minimal quarantine measures.

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India	Lockdown relaxed in many provinces as surge recedes, but country on alert for third wave. Phase 3 vaccinations (18+) are accelerating though targets yet to be met. Govt warning vacationers as summer travel begins.	Govt centralized vaccine procurement and supply; extended time between two jabs of Covaxin; export restrictions on some vaccines, Remdesivir. Task force studying option to mix vaccine doses to speed up program.	Pressure on GDP growth, but robust trade growth. INR 500bn pharma/health sector package; INR 30tn package to support small businesses, tourism, construction; govt prioritizing health infra spending and credit to small businesses.	Medium – Hospital beds, ventilators, oxygen stable now. Vaccine supply remains an issue, but centralization of pandemic management has reduced waste. Govt warns private hospitals not to slow down on vaccination programs.	Medium – State govts largely support the federal regime, but criticism continues over low-income support. Opposition Congress Party is warning of inadequate preparedness for third wave.	Govt told the Supreme Court that the entire population will be vaccinated by end of year, which seems overly optimistic with only around 4% fully vaccinated at present. Prediction that a third wave will hit soon.
United Kingdom	Fallout from 19 Jul English reopening could still affect caseload despite falling numbers.	Further expediting vaccination efforts will be difficult if AZ is to be avoided among younger cohorts.	In total ~GBP 300bn. Companies now paying more for the furlough scheme. Plans to extend the scheme locally past Oct.	Medium – Questions around testing and tracing, and the cost of support measures; but vaccination record is very positive.	Medium – Govt has large majority, but political contestation over govt's crisis response.	Recent decline in new cases has led to hopes that a scenario of 100,000 daily new infections can be prevented.
France	Lockdown exit completed, but government could adopt new measures if required. "Health pass" required to participate in wide range of social activities.	Vaccines supplied by EU joint purchases. Around 50% of population has been fully immunized. Govt making vaccination compulsory for healthcare workers.	Long-term furlough scheme for specific firms. Some support mechanisms expire end-Aug. Additional extensions possible. New investment plan in the works.	Medium – Cases on the rise, even if hospitalizations and deaths due to Covid-19 remain low.	Medium – Opinion polls show population supports Macron's tough approach to vaccination, which has nevertheless triggered protests across the country.	Draft law with the new measures to foster vaccinations approved on 26 Jul.
Italy	As of 28 Jun, all regions are "white zones," meaning most pandemic-related restrictions were relaxed.	Around 50% of the population over 12 is fully vaccinated. Another 14% has received one dose.	Bank of Italy forecasts the economy will grow by 5.1% this year and 4.4% in 2022, posting a sustained recovery following the Covid- induced contraction of 8.9% last year.	Medium – The virus is surging again, driven by the Delta variant. The 7-day rolling average of daily new case is just above 4,000, roughly double the previous week's rate.	Medium – Protests against the Covid-19 Green Pass have taken place across the country. More demonstrations are likely in the days ahead.	A Covid-19 health pass will become mandatory from 6 Aug to visit museums, attend live events, or dine at a restaurant indoors. State of emergency to be extended until year-end.
Brazil	Weekly moving average of deaths reduced for four consecutive weeks, still at close to 40,000 cases and 1,196 deaths.	45% of the population received first jab, 18% both jabs. Third dose increasingly seen as necessary next year.	Growth now at 5.3%, inflation above 6%, and interest rates above 7% for 2021.	Low – Public Health System occupation below 90% nationwide; 25 states below 80%. Temporary ICU units account for improvement.	Medium – Appointment of Big Center congressional leader for Presidential Chief-of-Staff aims to prevent impeachment of prosecution.	Politics leading up to the Oct 2022 elections will be guided by parochial interests - not an urge to reform the state or free economic agents from red-tape or an exorbitant tax burden.

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Russia	Third wave of pandemic starting to recede, but deaths remain near record-highs.	As of 26 Jul, 34.8mn people (23.8% of population) received first dose, 23mn (15.7%) fully vaccinated. Compulsory vaccination for various groups of residents in 40 regions.	In H1 2021, industrial production index increased by 4.4% year-on-year. Economy expected to receive a boost from increased oil output according to 18 Jul OPEC+ agreement.	Low – Public health facilities are struggling to cope with high number of Covid-19 patients.	Medium/High - Main decisions/strategy taken at federal level, but regional administrations are responsible for restrictions and vaccinations.	In Moscow, businesses operating in retail, services, and catering sectors are required to vaccinate 60% of their employees by 15 Aug.
South Korea	Countermeasures to deal with resurgence: mask mandates; restrictions on gatherings >4; advisory against overseas travel; quarantine for travelers from high-risk countries; reductions in mass transit; virtual schooling. QR code entry systems at department stores.	13.2% of population fully vaccinated, 32.6% (16.6mn) received a first dose. School vaccination programs underway and at some private companies too. Military providing 2 nd Pfizer dose to troops aged 30+. ~35mn doses supplied via COVAX from 16 Jul to end-Aug.	Signs of economic rebound. 2 nd supplementary budget of KRW 34.9tn approved (to be partly funded with govt bonds issued in Aug). Stimulus checks for 20.3mn households; funds to compensate small business owners who suffered losses from Covid restrictions.	High – ICU capacity remains stable. Capacity to test, trace, isolate is robust. Recent, record high confirmed cases, 32% of which have unknown transmission routes. Delta accounted for 76% of 1,255 locally transmitted variant cases.	Medium – Rival parties (DPP & PPP) agree to approve latest supplementary budget. Govt and ruling party in favor of supporting DPRK with vaccines despite public disapproval (51%).	Finance minister announces increased support for domestic vaccine development (USD 1.7bn in funds by 2023). Foreign minister and US officials discuss expansion of vaccine production. SK signs vaccine swap with Israel, receiving 700,000 Pfizer doses. Letter of intent to develop vaccines with Denmark, other agreements with Vietnam, Vatican, and APEC.
Spain	Regional govts still in control of pandemic management. Constitutional Court ruling invalidating last year's lockdown will only reinforce the status quo.	Vaccines supplied through EU initiative. National strategy, but regions lead rollout. Around 54% of population fully immunized. Goal to vaccinate 70% by end of summer.	Short-term employment scheme covering ~500,000 workers extended to 30 Sep. Govt working on permanent furlough mechanism. EUR 10bn package to support SMEs and the self-employed.	Medium – Infections, hospitalizations, and deaths due to Covid-19 on the rise.	Medium/Low – Absence of state of emergency generates legal uncertainty, as courts validate every measure adopted by regions to contain rise in cases.	Regions continue to adopt measures to contain the new wave, including mobility limitations in certain provinces.
Australia	VIC lockdown extended to 27 Jul; SA seven-day lockdown to end on 27 Jul; NZ has closed border with Australia for 2 months.	NSW to delay second Pfizer doses to spread supply and receive additional 90,000 Pfizer doses a week; NSW to announce AZ walk-in vaccination hubs for all adults.	VIC committed a further AUD 282mn to businesses impacted by lockdown; SA has committed AUD 100m for business impacted by lockdown; NSW Treasurer has urged federal govt to reinstate wage subsidy.	High – ATAGI (advisory group on immunization) has urged all Sydney adults to 'strongly consider' AZ as soon as possible.	Medium – PM apologized for slow vaccine rollout; state leaders rejected NSW Premier's request for their Pfizer vaccines; PM rejected VIC Premier's plea for 'ring of steel' around Sydney.	Greater Sydney lockdown likely extended beyond 30 Jul; VIC lockdown likely to end on 27 Jul.

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Mexico	Restrictions eased amid decline in cases starting in Apr. However, authorities reluctant to re-impose restrictions despite rise in cases since Jun. Official messaging often muddled and contradictory.	Contracts with Pfizer (34mn doses); AZ (77.4mn); CanSino (35mn); Sputnik V (24mn); Sinovac (10mn); Sinopharm (12mn); COVAX. Delivery delays, but rollout accelerated in May-Jun.	Limited fiscal measures at no more than 1.2% of GDP. Measures include advancing pension payments, credits for micro- and small enterprises, and govt austerity.	Low – Chaotic healthcare system reform was in process pre-pandemic; a lack of PPE, limited testing capacities; shortages of some medicines; govt believes wide-ranging testing unnecessary.	Low – Divisions between opposition state governors and central government; relations between President and the private sector and media subject to regular bouts of tension.	Third wave of cases now evident as caseload reaches heights not seen since Jan. As of 25 Jul, 60mn vaccine doses administered, with 24mn people (19% of population) fully vaccinated. The govt aims to have entire adult population inoculated by end Q1 2022.
Indonesia	Govt introducing community-based emergency movement restrictions across Java and Bali, and regions with 65%+ hospital bed utilization and <50% vaccination rate. Extended to 2 August.	Second phase vaccine rollout includes active adults. But a slowdown in AZ supplies from India has led to volatile vaccination rates. Jakarta is opening vaccinations to all adults.	~4.8% of GDP for healthcare, social welfare, support for MSMEs, SOE bailouts. Reforms to attract investment and new sovereign wealth fund launch this year.	Medium – Testing capacity has improved in recent months, but demand for ICU bed capacity, while well below critical levels, still vulnerable to a serious spike.	Medium – Govt has broad support for most pandemic, economic, and health policies, but labor is unhappy with some reforms.	Restrictions adjusted based on public and govt perceptions of risk and locations where cases are concentrated.
Saudi Arabia	Citizens required to have received two doses before leaving KSA from 9 Aug. Unvaccinated banned from entering govt facilities, attending events, using public transport from 1 Aug. Entry ban in place for unvaccinated.	KSA has administered >24mn doses. Around 54% of Saudis have received at least one dose, about 18% are fully vaccinated. 12–18-year-olds have begun to receive vaccines.	Economy recovering with slowdown in CPI inflation. IMF expects non-oil GDP growth of 4.3% in 2021 and 3.6% in 2022 led by private sector growth. USD 133bn infrastructure investments planned to 2030 to support economic diversification.	Medium – New daily cases back above 1,200. Regular testing available, and clinics offer treatment and advice to those with symptoms.	High – The govt has aggressively suppressed dissident voices, and there is little opposition to its actions.	Economic diversification initiatives aimed at boosting growth, but driving intra-regional tensions, especially with UAE.
Turkey	Lifted most restrictions on 1 Jul, including daily curfews and travel restrictions, after new infections fell to less than 5,000 per day.	Administered over 65mn doses of the Pfizer and Chinese-made Sinovac vaccines. Around 35% of the population has received two doses of the vaccine, while around 63% of those above the age of 18 have received one dose.	The economy is expected to have grown around 20% in Q2 largely thanks to the so-called base effect due to a nearly 10% contraction in the Apr-Jun period of 2020. Full-year economic growth is now expected to surpass 6%.	Medium – New cases jumped to 12,381 on 24 Jul, the highest level since mid-May and nearly triple the low that was hit in early Jul. The spike coincides with Turks celebrating Eid al-Adha religious holidays.	Low – Ankara announced that it will soon “regulate” foreign-funded media outlets and require them to submit a detailed report on their activities every six months. Critics say it is a last-ditch attempt to kill independent media outlets.	Turkey has started to administer the third dose of a vaccine against Covid-19. Healthcare workers and those above 50 are eligible for the third shot.

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Thailand	The govt reimposed restrictions banning gatherings and shutting down most commercial establishments, including an overnight curfew, to bring a major outbreak under control.	Vaccine rollout started with Sinovac, now broader AZ rollout has begun but faces supply-constraints. Thailand to explore new orders and liberalize private importation.	New USD 4.5bn stimulus approved for Jul to spur consumption. An additional USD 14bn borrowing program also has been approved. Airlines are asking for USD 800mn in low-cost loans	Medium – Improved capacity for testing, but border controls are a concern as Thais returning from neighboring countries seem to be source of outbreaks.	Medium – Policy is accepted but govt seen as ineffective in other areas (economy); consequently, there may be more focus on growth.	Govt is attempting to contain the worst spike since the pandemic's start, and a sustained increase in new cases could trigger tighter restrictions.
Sweden	Face masks are now no longer recommended by the government.	More than 50% of population have received one jab, allowing many restrictions to be lifted.	SEK 812bn in tax delays, credit guarantees; wage subsidies, SEK 500bn business loans, SEK 300bn bond buying.	Medium – Institutional capacity high but initial no-lockdown strategy caused high case load.	Medium – Red-green minority government depends on outside support amid increasing fragmentation.	After his resignation to avoid snap polls, PM Lofven is back at the helm of a new govt.
Nigeria	Stage 4 of eased lockdown began 11 May, essentially reinforcing measures in place since 4 Sep 2020.	Vaccinate 40% of population in 2021, 70% by end-2022. Government expects 58mn doses from COVAX (16mn), African Vaccine Acquisition Task Team (AVATT, 42mn). Looking to procure Sputnik V, Chinese vaccines.	Moratorium on government loans. Small credit facilities to support households and SMEs (NGN 50bn) and healthcare (NGN 100bn).	Low – The government's public health and economic response capacity both remain very weak.	Medium – Gradual reopening easing economic grievances but could be impacted by rising cases. Mistrust of state institutions, particularly in the majority Muslim north, could affect vaccine rollout.	Oil production, GDP and trade data; response from World Bank to request for a USD 1.5bn loan.
Argentina	Restrictions returned to strictest level end-May then eased. Intermittent lockdowns highly likely in coming months.	Vaccine rollout started in Dec 2020 but has stuttered on occasion. Heavy reliance on Sputnik V, deliveries behind schedule. As of 26 Jul, 29.8mn doses administered, with 6mn people (13.3% of population) fully vaccinated.	7.3% of 2020 GDP, includes direct cash transfers, freezing of utility tariffs, and lowering of bank loan requirements.	Low – Health system has managed to avoid collapse but remains under pressure. Testing rates remain relatively low.	Medium – Presidential authority boosted by early action but eroded by slow restrictions easing, economic impacts, and scandal over govt insiders receiving early vaccines. Tensions between Buenos Aires and provincial authorities.	Govt hoping ramp-up in vaccine deliveries, including CanSino doses over Jul and local production of Sputnik V, will make material difference amid shortages of Sputnik V second doses.
South Africa	Lockdown measures eased to Level 3 on 25 Jul, including nighttime curfew, limited gatherings, limited alcohol sales.	Plans to vaccinate 35mn people by end-2021 and 40mn by Mar 2022. Rollout delayed but accelerating fast. Trial phase 1 rollout started 18 Feb; phase 2 on 17 May.	Feb budget targets vaccines, limited Covid-19 grants and infrastructure. Ballooning debt is forcing fiscal consolidation, but additional relief announced on 25 Jul.	Low – First signs that current third wave has peaked. Health services strained, particularly in Gauteng province.	Medium – Slow vaccine procurement and rollout, as well as corruption, are fueling opposition. Politically triggered unrest in Jul briefly disrupted vaccine rollout.	Speed of vaccine rollout amid third wave and unrest. Any procurement from additional manufacturers (AZ, Sinovac, Sinopharm). Vaccine efficacy against variants.

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